

Testimony of Peter C. MacKay

The Roseland Management Group, LLC.

In opposition to Section 11 of HB5052- an act implementing the Governor's Budget Recommendations for Human services programs.

Senator Slossberg, Representative Abercrombie and Members of the Human Services Committee, my name is Peter C. MacKay, I am the Treasurer of The Connecticut Association of Residential Care Home Owners which represents 70% of the RCH's in Connecticut. I am also the Administrator and owner of The Roseland in Brooklyn, Ct.

I am here to testify in opposition to Section 11 of HB 5052 and rate caps on RCH's.

As you know, our rates have been frozen for four years other than a small increase that some homes received last year.

During this same period, the Roseland has experienced a steady increase of expenses.

- Heating Oil has increased 39.84%
- Cable has increased 49.43%
- Phone has increased 67.71%

None of which have been reimbursed.

Last year we were mandated by the State to have all our employees med certified which by DSS's estimates will save the State millions of dollars in nursing costs. This has resulted in The Roseland's insurance rates to increase by 36.95%. Again, this has been an unfunded mandate that we are somehow expected to absorb.

The cost of these unreimbursed expenses over the four years, reflect an increase of annual operating expenses of \$18,278. To cover this we have had to run up lines of credit and credit cards and are now paying our bills 45 days in arrears, burying the property in debt.

The Roseland having worked with the State of Connecticut for eight years is at its end. I can no longer use my personal lines of credit and funds to finance the States responsibilities.

I cannot stress enough that the homes in Connecticut work on a reimbursement system and when we require a rate increase it is to cover money that we have already spent, quite often due to State mandates and regulations.

We must uncap the RCH rates and not move forward with the proposed language in section 11 of HB 5052 if the State expects to continue to have these types of facilities survive.